

Members

Rep. Phil Pflum, Chairperson  
Rep. Dale Grubb  
Rep. Don Lehe  
Rep. Tom Knollman  
Sen. Johnny Nugent  
Sen. Phil Boots  
Sen. Richard Young  
Sen. Robert Deig



## DEPARTMENT OF AGRICULTURE EVALUATION COMMITTEE

LSA Staff:

Karen Firestone, Fiscal Analyst for the Committee  
Steven Wenning, Attorney for the Committee

Authority: IC 2-5-21-10(a)

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### MEETING MINUTES<sup>1</sup>

**Meeting Date:** September 4, 2008  
**Meeting Time:** 10 A.M.  
**Meeting Place:** State House, 200 W. Washington St., 233  
**Meeting City:** Indianapolis, Indiana  
**Meeting Number:** 1

**Members Present:** Rep. Phil Pflum, Chairperson; Rep. Dale Grubb; Rep. Tom Knollman;  
Sen. Phil Boots; Sen. Richard Young.

**Members Absent:** Rep. Don Lehe; Sen. Johnny Nugent; Sen. Robert Deig.

### Call to Order

Rep. Phil Pflum, chairperson, called the meeting to order at 10:08 am. He indicated that the purpose of the committee is to study the reorganization of the Department of Agriculture with specific analysis of the goal of promoting agriculture and improved marketing. He then asked members to introduce themselves. Rep. Pflum discussed the statutory charge to the committee found in IC 2-5-21, focusing on Section 14 which says the committee is to review the audit; take testimony regarding the audit or other related areas; and may make recommendations for legislation or administrative changes.

### Presentation

Rep. Pflum asked Ms. Karen Firestone, LSA, to present the LSA evaluation of the Department of Agriculture (ISDA). Ms. Firestone reviewed the evaluation, *Issues Concerning the Indiana State Department of Agriculture*, highlighting information about fiscal and personnel changes and other feedback about the performance of the ISDA. (Exhibit 1)

Rep. Pflum called on Mr. Ken Klemme, Acting Director of the ISDA, to make comments. Mr. Klemme indicated that he had worked for the ISDA since May 2005, and that the strength of the

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<sup>1</sup> Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.in.gov/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

department had been the conscious decision to design a strategic plan. He said that there were many components to agriculture in the state so that the plan was more about not choosing areas of focus than choosing areas to focus on. He indicated that areas that were not chosen were not unimportant and that ISDA was willing to listen. He also said that in the future, the strategic plan may change. Mr. Klemme said that the strategic plan focuses on value-added products rather than commodities like corn or soybeans, due to federal policy already focusing on these issues and the vast sums of money required to shift direction in these areas.

Mr. Klemme discussed pork inventory as an example of the success of the ISDA strategy, showing that a sharp decrease in hog herd in Indiana had been turned around. He also discussed biofuels and increasing jobs at the community level through incentives offered in the legislation.

In response to Rep. Tom Knollman, Mr. Klemme said that while he did not have exact statistics on dairy or beef cattle, the dairy industry has been expanding. He said that having pork in the ISDA strategy was not to leave others out, and discussed his role in a turkey production initiative as an example of the ISDA supporting other livestock.

### **Public Testimony**

When asked for public testimony, Ms. Rae Schnapp, Hoosier Environmental Council, indicated that there are concerns about pork production increases coming from industrial-scale operations. She discussed model ordinances available from her organization and suggested they had concerns about the regulatory framework. She talked about the organic and pasture livestock movements and obstacles, especially for small producers in finding meat processing plants. She also indicated that the Department of Agriculture may have a role in advocating law changes to develop wind energy alternatives in the state.

### **Committee Questions**

Sen. Phil Boots asked about the change from staff to consultants and personal service contracts. Mr. Klemme said that ISDA seeks to be efficient in its use of staff or contractors. He gave the example of using Purdue when work requires particular expertise or hiring Ginovus, Inc., to manage the Agriculture Economic Development Initiative (AEDI) since the workflow is lumpy and would draw staff away from regular work.

Rep. Dale Grubb asked if the ISDA would respond in writing to written questions from the committee. He gave examples of the questions including what the tangible evidence is that Ginovus, Inc., has done the work required by the AEDI. He also asked about who made loan-making decisions concerning a loan from the Value-Added Research Fund. Mr. Klemme, in response to a question from Rep. Grubb concerning E85 pumps, indicated that there was one application for a grant from a municipality and that the overall number of applications increased since the legislature increased the grant amount. Mr. Klemme also said that BioTown was still viable. The ISDA had not wanted the project to be a one-time deal where public money is invested. It has taken a while to work out a viable business model. He indicated that the project now has the right partners and that, while they would have preferred faster growth, the slower growth has allowed it to develop well.

Rep. Pflum indicated that he would like the ISDA to provide written responses to questions that he drafted. With the agreement of the ISDA, the committee agreed to submit questions for response to the ISDA with LSA coordinating. The committee also agreed to meet on October 1, 2008, at 1 pm.

The meeting adjourned at 11:03 am.